

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

District Innovation Fund – Guidelines for preparation of Action Plan by the districts for Rs.1.00 Crore per district under 13th Finance Commission Grants – Issued.

PLANNING (XVIII) DEPARTMENT

G.O.Ms.No. 4

Dated: 09.03.2011

ORDER:-

13th Finance Commission recommended a new initiative aimed at making cutting edge levels of governance responsive to felt needs and innovations. Rs.1.00 Crore, is made available to every district in the country, aimed at increasing the efficiency of capital assets already created. This investment intended to fill in vital gaps in public infrastructure already available in the district, which is not being fully utilized for want of a relatively small investment. The objective is to renew or better utilize an existing capital asset and provide immediate benefits. With the increasing pressure on establishment costs, 13th Finance Commission, also recognized that a number of critical gaps in public infrastructure are yet to be filled and it may take time before all such needs are recognized and addressed at the state level. Such projects with immediate welfare returns for comparatively low investment are best identified at the district level.

2 There is also tremendous scope to innovate at the district level and even a relatively small allocation per district can be effectively leveraged as a force multiplier.

3 Thirteenth Finance Commission recommended that at the district level, only 90 per cent of the cost be met from the District Innovation Fund and the balance 10 per cent from non-governmental contributions from either the public or NGOs. This amount must be collected and deposited with the district agency before the scheme is sanctioned. It is indicated to allot a sum of Rs.1.00 Crore to every district in the country to be used in the manner stated above.

4 Keeping in view the recommendations of the 13th Finance Commission, Government hereby issues the following guidelines for preparation of action plans by the districts. The District Collectors are requested to prepare and furnish the action plans for Rs.1.00 Crore adhering to the guidelines scrupulously.

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1. This investment should be used to fill in vital gaps in public infrastructure already available in the district, which is not being fully utilized for want of a relatively small investment. Examples include a government hospital with non-functional diagnostic equipment; a minor irrigation tank with sizeable command and leaking sluice gates; an area with poor agricultural productivity without soil testing facilities duly assessing the local needs and priorities of the district.
2. The projects with immediate welfare returns for comparatively low investment are to be identified at the district level.
3. Projects undertaken under the scheme should be demand driven rather than supply driven.
4. The schemes should be conducive to triggering innovative measures in order to make government accessible and accountable to all sections of society.
5. Only 90 per cent of the cost be met from the District Innovative Fund and the balance 10 per cent from Non-Governmental contributions from either the public or NGOs. This amount must be collected and deposited with the District Agency before the scheme is sanctioned by the District Collector.
6. In selecting /allocating to the different areas in the Districts, preference should be given to areas which are backward or drought affected.
7. The schemes should not be left incomplete at the end of the year.
8. These funds should not be used for payment of old bills or for incomplete works.
9. The schemes while adding to the efficiency of the Capital use are expected to add to the productivity or welfare.
10. The object should be to renew or better utilize an existing capital asset and provide immediate benefits.

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11. Projects of Innovative nature / new technology with lesser costs and extensive benefit to the people can be taken up.
12. It should not be a matching grant to any of the completed/ ongoing / new works.
13. Each District should identify the projects under this scheme to a tune of Rs.1.00 Crore and send it for approval within 4 months.
14. The District Collectors have to obtain the approval of the Chairman DRC before submitting to government.
15. The District Collector is notified as the authority for sanctioning the schemes at District Level.
16. The funds will be re-allocated among the Districts based on the innovative projects identified in the District, from out of the un-utilized funds if any available.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**S.P.TUCKER
PRINCIPAL SECRETARY TO GOVERNMENT**

To

All the District Collectors in the state
All the Chief Planning Officers in the state
The Accountant General of AP, Hyderabad,
The Director, Treasuries and Accounts, Hyderabad,
All the District Treasury Officers in the state
The Pay and Accounts Officer, Hyderabad.

Copy to:

The Secretary (R&E), Finance Department, AP Secretariat, Hyderabad.

// FORWARDED ::BY ORDER//

SECTION OFFICER